An Introduction to Creating and Recognizing Public Value for the Arts

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Overview

One of the fundamental goals of the Arts Marketing Institute is to better understand and find ways of articulating the public value of the arts in California. Not only is this a matter of establishing the current public value of the arts and examining the historical processes through which various elements of what constitutes public value for the arts have come to be recognized as important for diverse individuals, communities and society at large, it is also a matter of exploring how future public value for the arts is created, that is, looking at what we and other members of the art world can do to help produce increased value for the arts and to make sure that this public value is recognized by others.

Some might argue that the existing value of the arts is well recognized within the art world and what we need to focus on in a public value campaign is simply a process of documenting and publicizing what the arts already do. Others might respond that the potential value of the arts has significant room for growth both in societal scale and scope, and that in the process of investigating the public value of the arts we can proactively help support and stimulate new areas of artistic and cultural endeavor throughout California.

The discussion here will support both positions and further assert that a close examination of the symbiotic relationship between creating and recognizing public value for the arts will help clarify and strengthen our ability to achieve the goals of the AMI and the California Arts Council.

The central focus of this essay will be the work of Mark Moore, Professor of Criminal Justice Policy and Management at the Kennedy School of Government, Harvard University and Director of the Hauser Center for Nonprofit Organizations, also at Harvard. In his recent work on public management[1], Moore has developed significant new thinking on how public administrators can engage communities across a variety of interest groups to build support and legitimation for the work of public sector organizations. Specifically, Moore emphasizes the role of "values" in this complex

[1] Creating Public Value: Strategic Management in Government, Cambridge, Mass.: Harvard University Press, 1995.

support/legitimation process and documents how public administrators are moving away from the classic tradition of civil service neutrality that simply carries out the directives of legislatively defined mandates.

Instead, Moore shows how by moving towards a new, more "self-conscious" approach to public administration, nonprofit managers can utilize their "operational competence" (i.e., detailed knowledge of organizational tasks acquired from years of on-the-job experience), to build a more effective public agency (see Moore 1995, pp. 74 and note 72, pp. 349).

In order to implement this new approach for public sector administration, Moore introduces three theoretically distinct, but related analytic frameworks: first, a strategy to help direct the integration of three sectors of interest in the organizational environment, which he calls the **Strategic Triangle**; second, a mapping of the organizational processes that take place in the production of public value which he calls the **Value Chain**; and third, an accountability framework that helps link the various elements of organizational activity from goals to outcomes called a **Performance Grid**.

In the following, I will describe these three analytic frameworks, discuss how they are used to examine and help direct the process of creating and recognizing public value in the arts, and illustrate this process with examples in which the AMI/CAC are currently engaged.

The Strategic Triangle

Mark Moore describes the "strategic triangle" as an organizational strategy for a public sector organization, (in our case, a government arts agency; public value concepts might also be applied to nonprofit arts organizations), that simultaneously should do three things to be effective:

"(1) declares the overall mission or purpose of an organization (cast in terms of important public values);

(2) offers an account of the sources of support and legitimacy that will be tapped to sustain society's commitment to the enterprise;

(3) explains how the enterprise will have to be organized and operated to achieve the declared objectives." (Moore 1995, pp. 71)

Moore further explains that arts agency administrators seek to bring these elements into coherent alignment by meeting three broad "tests" as they put together their organizational strategy.

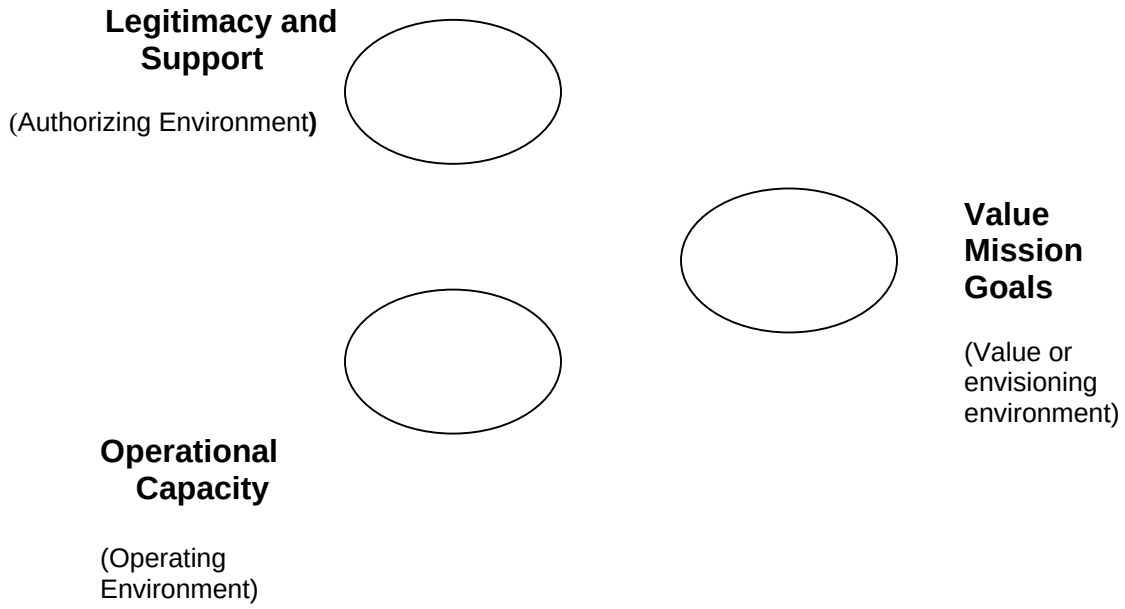
" – First, the strategy must be *substantively valuable* in the sense that the organization produces things of value to overseers, clients, and beneficiaries at low cost in terms of money and authority.

" – Second, it must be *legitimate and politically sustainable*. That is, the enterprise must be able to continually attract both authority and money from the political authorizing environment to which it is ultimately accountable.

"—Third, it must be operationally and administratively feasible in that the authorized, valuable activities can actually be accomplished by the existing organization with help from others who can be induced to contribute to the organization's goal." (Moore 1995, pp. 71)

Each of these "tests" can be thought of as different sectors in the arts agency environment that administrators need to be aware of as they seek to put together an effective organizational strategy that positions the agency in the midst of these three sectors. The sectors correspond to the three ovals labeled below in Figure 1.

Figure 1: The Strategic Triangle



Starting with the oval to the right, the "value or envisioning environment" represents the sector through which the arts agency creates and tests its organizational goals/mission with the public. If we assume the arts agency starts with a general mandate or somewhat vague mission statement, (as is frequently

the case in government organizations, see Wilson 1989[2]), then this is the sector in which the details of organizational programs emerge and community interests get articulated. In actual practice, this is the sector in which the staff and leadership from the agency make direct contact with the public and start to create public value in the work they do. In other words, this is where "public value" as it relates to the government arts agency starts to take form.

As Mark Moore has stated in both his written work and in the symposia he directs for the Wallace Foundation START program[3], the creation of public value for the arts is a complex, multi-faceted process. To start, there are the nebulous aspects of constructing the social referent for the "public" in the public sector. As a first step, it is clearly difficult to distinguish the many myriad elements of just who the "public" is for any given public sector organization. The variety of social and cultural referents for the public is potentially overwhelming for any agency that is seeking some kind of practical and coherent target.[4]

The second pragmatic step of identifying and making contact with specific community representatives for each component of the public presents its own set of problems. Few communities have any kind of formal representation, and besides the practical issues of contacting suitable representatives, there is frequently within-community competition for the legitimacy of individual claims.

Finally as a third step, the problem of distinguishing and reconciling the range of interests both within and between communities in defining the public value of the arts is quite daunting. Even a cursory survey reveals an enormous variety of unique and combination of interests that make up the range of what constitutes the public value of the arts. Little wonder that many of those charged in public agencies with producing a comprehensive referent for the public, treat the problem as intractable.

Yet in practice, the general concept of "public goods" seems to be widely accepted. It is not that difficult to document broad levels of public support for areas as varied as public health, public education, or public safety. Belief in these common public resources gives rise to the fundamental perception that there not only is such a thing as "collective interest" in society, but that we can clearly identify the organizational apparatus that accompanies the concept. We

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[2] Wilson, James Q., Bureaucracy: What Government Agencies Do and Why They Do It, New York: Basic Books, 1989.

[3] The Arts Marketing Institute is funded through the START program, as are initiatives in twelve other state arts agencies across the country in the effort to better understand the creation of public value for the arts and to explore how state art agencies can be more effectively organized to achieve their mission.

[4] In a state with the size, diversity, and geographic diffusion of California, this problem is multiplied many times. Further one might argue that the problem of identifying the "public" for the arts in California is an issue that represents not just a shift in degree from other states, but a qualitatively different concept in so far as the enormous scale and diversity of the population combined with the wide-ranging geographic distribution of the population makes it difficult for a coherent social referent of the public to emerge.

start simply by differentiating "private interests" from "public interests," which correspondingly differentiates the activities, ideology and goals of the "private sector" from the "public sector" (see Moore 1995, pp. 63-70). It then follows that by building social awareness in the collective benefits produced by the public sector, we concurrently produce belief in the concept of public welfare. From the environment to education to the economy, from public parks to public libraries to public transportation, the evidence for the benefits of public goods and collective interest are all around us.

Similarly for the arts, there is a strong belief in the general public perception of artistic and cultural activity as a significant public good,[5] but the details of specific support programs and the direction of policy is not as clear-cut. The "envisioning environment" is thus the initial stage for the "testing" of the arts as a public good and working out some of the details of program development and policy direction.

In the "envisioning environment" the arts agency managers come face-to-face with the task of bridging the agency's mission and goals with the public's perception of the value of the arts as a public good.

This process entails both a proactive representation of what the arts agency programs and policies are, past, present and future, in addition to a reactive evaluation of the *perceived* value of these activities. What makes this difficult is that the relationship between programs/policies and perceived value is constantly shifting. Moore asserts plainly that the goal of managerial work in the public sector is to produce public value. The problem is, however, that managers often don't know for sure what it is (Moore 1995, pp. 28-29). In order to assess the public value of their mandate, arts agency managers must translate that mandate into concrete programs with actual costs and tangible outcomes. But since the specific desires and specific cultural objectives of any given community are constantly in flux, and the environment in which the public's perception of the value of the arts is also varying, (depending on recent media coverage or other elements of cultural visibility), arts agency managers are left in the unenviable position of trying to link two moving targets. Producing public value for the arts under these conditions is indeed problematic.

In the upper oval of the Strategic Triangle, arts managers confront a different kind of public value problem. **Here, in what Moore calls the "authorizing environment", arts managers are faced with the problem of making the case for the value of the arts with the political organization and interests that formally established their existence in the first place.** The objective is to procure direct economic support and the accompanying legitimation to carry out the mandate for which they were created. But having been presented with a

[5] For example, in a survey conducted for the California Arts Council in 2001, in response to questions exploring the value of the arts for Californians including such varied issues as "the academic performance of children," "the quality of life in the community," and "important to tourism," between 75% and 63% of the respondents indicated strong agreement for these statements (8 or above on a 10 point scale).

general public objective and fuzzy public interest, arts agency managers now return with specific organizational policies and programs. In order to carry out these policies and programs, arts managers need to establish the public value of the arts with the individual "representatives" of various interested communities (e.g., regional, socio-economic, ethnic, etc.), throughout the state.

The initial contact is often through the elected legislature, governor, and state bureaucracy. That includes staff and legislative assistants who are likely to play a pivotal role as to whether the arguments and documentation that the arts managers produce ever make it onto the agenda where competition for public funding takes place. In addition, government representatives are at least publicly accountable to a host of other organizational entities, including public interest groups, the media, the voting public, and the legal system.

The embedded nature of these organizationally linked entities means that the focus and variation in emphasis on precise aspects of the public value argument is likely to undergo significant transformation as it moves throughout the authorizing environment process. Each entity represents not just collective public interests, but individual interests within the overall authorizing sector. Explicit details of the argument may be quite compelling for some interest groups or individual representatives, but have only marginal influence on others. Thus the case for the public value of any public good, and certainly the arts, is generally multifaceted, attempting to integrate a wide range of organizational and substantive interests. The most successful public goods clearly communicate their value broadly to very different community interests. While not necessarily reaching the extreme of representing "all things to all people," the tendency for successful public goods is more towards this general orientation than towards a picture of special interests.

Finally, positioned "downstream," in the lower oval of the Strategic Triangle is the "operational environment." Here the members of the overall art world, including artists and arts organizations, both large and small, from the well-known to the unknown, operating under an array of disciplinary categories, actually produce the arts works and performances that the public value argument is all about. The activities here both define the traditional public value of the arts and seek to define the future public value of the arts.

What is distinctive about the operational environment for the arts, however, as opposed to other public goods, (e.g., public sanitation, public safety, or public housing), is the degree to which the managerial strategy of public arts agencies monopolizes the creation of artistic and cultural value for the public at large. Certainly it is the case that the arts easily lend themselves to both individual and commercial initiatives that in many art disciplines and communities are the predominant form of art produced (examples are many, ranging from the largely hidden worlds of amateur or folk and traditional participatory arts activities to the highly visible worlds of commercial film and music). Nevertheless, it is

historically evident that public art agencies play a very significant role in the diversity, quality, and aesthetic style of artistic expression in a variety of artistic arenas. The strategic distribution of public resources creates greater opportunities for artistic engagement, lays the groundwork for the development of artistic excellence, and offers support for the exploration of innovative and diverse artistic practices outside the constraints of commercialism.

The production of public value for the arts by public arts managers in the operational environment following a “self-conscious, skilled deployment of legal, financial, material, and human assets to produce concrete results” (Moore 1995, pp.193) has significant potential. The problem is to coordinate operational efforts with the other sectors of the Strategic Triangle.

This is not an easy task.

The articulation and alignment of arts agency organizational values and specific programs within the operational environment is difficult enough. But to be successful in that operational procedure while maintaining accountability with both the envisioning and authorizing environment is truly a delicate balance. The trick, as Moore emphasizes, is to remember to “touch all the bases.”

In future postings we will examine the details of this process in a discussion of the sequencing of organizational activities in the **Value Chain** and the accountability framework for public agencies of the **Performance Grid**.